

# **Governor Kulongoski signs historic Klamath Basin agreement**

## **Agreements represent the largest river and salmon restoration effort in U.S. history and work to resolve decades of conflict in the Klamath River Basin**

February 18, 2010

*(Salem)* – Today Governor Ted Kulongoski was joined by U.S. Secretary of the Interior Ken Salazar, California Governor Arnold Schwarzenegger, Chief Executive Officer of PacifiCorp Greg Abel, tribal leaders and stakeholders from the Klamath Basin to sign two historic agreements that will lead to restoration of the Klamath River Basin.

The two agreements, the Klamath Basin Restoration Agreement and the Klamath Hydroelectric Settlement Agreement, together work to resolve decades-long water quantity, water quality, and fish and wildlife resource issues in the Klamath Basin, and represent the largest river and salmon restoration effort in U.S. history.

“The word historic is often overused. But today we’re going to sign two agreements that by anyone’s definition are historic,” said Governor Kulongoski. “To each of Oregon’s partners, I say: You have shown the way. Conflict is not inevitable, and solutions are not unreachable. All that is needed is good faith among neighbors, fair dealing, hard work, and an abiding commitment to future generations.”

The Governor has worked to bring all parties together since taking office. Following the devastating drought of 2001 and tens of thousands of salmon dying in 2002, the Governor played a lead role in forming a federal-state-tribal-local partnership in 2004 to establish a process by which Klamath Basin resource issues could be resolved. At that time, the parties signed the Klamath River Watershed Coordination Agreement, which has evolved into the Klamath Basin Restoration Agreement being signed today.

The Restoration Agreement outlines next steps to: 1) restore and sustain natural fish production and provide for full participation in ocean and river harvest opportunities of fish species throughout the Klamath Basin; 2) establish reliable water and power supplies which sustain agricultural uses, communities, and National Wildlife Refuges; and 3) contribute to the general welfare and economic viability of all Klamath Basin communities.

“Many people made this day possible. I already mentioned a few. But the people most deserving of recognition are those who live, work, and raise families in the Klamath Basin,” Governor Kulongoski said. “You came together and made this day possible. You wanted a future without conflict – and understood that doing nothing wasn’t an option. You exemplify who we are as Oregonians – and as people who live in the Klamath

Basin.”

Two years ago, the states of Oregon, California, federal government and PacifiCorp, which operates the Iron Gate, J.C. Boyle, Copco 1 and Copco 2 dams on the Klamath River, began negotiating the Hydroelectric Settlement. In November 2008, they reached an Agreement in Principle (AIP) that laid out the framework for the removal of the dams, as well as a commitment to negotiate a final agreement to include other interested parties, which was signed today.

The final Hydroelectric Settlement outlines the process for additional studies, including an environmental review, which will inform a decision by the Secretary of Interior regarding whether the removal of the four dams owned by PacifiCorp is justified and will: 1) advance restoration of salmon in the Klamath Basin; and 2) is in the public's interest, which includes but is not limited to consideration of potential impacts on affected local communities and tribes. The Secretary will make a determination by March 31, 2012 and the earliest that dam removal would occur, if determined necessary, is in 2020.

“Everyone who has been involved with today's agreements knows there is much work still to be done. But we're long past the beginning and will not stop until we're finished. My point is: We're moving forward,” the Governor continued. “There is no need for this conflict to rage on. The plentiful Klamath Basin can offer a secure future for the Tribes, sustainable agriculture, *and* a diverse and resilient ecosystem. All we need is the wisdom to see our common future. These agreements are the blueprint for that future.”

Now that these agreements have been signed, all parties will work with members of the Oregon and California congressional delegations, federal agencies and the Obama Administration to secure federal funding through the Department of Interior's budget starting with the fiscal year 2012. The estimated cost for implementing the Restoration Agreement in its first year is approximately \$41 million with the long-term cost of habitat work, water programs and other measures estimated at \$97 million a year over ten years. More than 90 percent of the total costs will be targeted for fisheries restoration and reintroduction, and enhancing the quality and quantity of water for fish.

The Hydroelectric agreement calls for the accumulation of a \$450 million fund, \$200 million of which was authorized by the Oregon State Legislature through the passage of Senate Bill 76 during the 2009 regular legislative session. The legislation directs PacifiCorp and the Oregon Public Utility commission to work together to establish a trust that will hold funds from customers to cover the costs for dam removal. The bill also requires the PUC to hold hearing to determine whether rates are fair, just, and reasonable.

California's contribution to fund dam removal, the other \$250 million, would come from a combination of surcharge on California ratepayers and general obligation bonds.

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